7: Furnivall G-4, 5 (no date) 1948 ALl Southeast Asia ALl

466 Ordinances. Meanwhile the increase of factories in Java had led in 1905 to the introduction of a Factories Act. Out of these developments there has grown up an elaborate Labour Service. It is only natural that the need for such a service should first be felt in Netherlands India, where western enterprise has been so long established. In British colonies numerous regulations bear witness to the benevolent aspirations of Government; many of them 'have a common characteristic: they avoid laying down definite standards in regard to diet, housing, or medical attendance, and leave in these matters a considerable discretion to inspecting officers', so that their effect depends on the machinery for supervision. As Lord Hailey remarks, 'the efficacy of social legislation as a whole is dependent on the technical inspectorates which are the most significant creation of modern administrative activity.' Yet 'with the exception of Kenya, inspection for the most part has been left to administrative officers' and 'experience shows that their other duties do not always permit them to exercise that close supervision which is essential when large bodies of labour are employed'; they are liable to frequent transfer and know very little of what happens on the estates and mines; and they have an inadequate acquaintance with labour problems.[1] The regulations may be suitable, but there is no machinery to enforce them. It is instructive that in this, as in other aspects of care for labour, the larger enterprises would welcome closer supervision.

467 But suitable regulations and adequate machinery are not sufficient in themselves for the protection of labour. They have been useful in the West, but chiefly through the efforts of the labourers, organized in trade unions, either by their influence on legislation or by direct action. It has been generally held that tropical labour has little capacity for organization, and employers have reckoned this a merit. In Netherlands India, however, conditions favoured the growth of trade unions. The policy of segregating the people under their own chieftains and protecting them against the impact of the West, required the importation of Europeans of humble social status and on low pay to perform tasks for which under a different policy natives might have been trained. These men brought with them their labour politics and unionism. That was probably one reason why colonial problems attracted the attention of Socialists earlier in the Netherlands than elsewhere. It was certainly the reason why trade unionism reached the native world in Java. Europeans were linked

[1] *African Survey*, pp. 678–9.

7: Furnivall G-4, 5 (no date) 1948 ALI Southeast Asia ALI

up with the natives through the large body of Indo-Europeans and in 1908 the railway staff, comprising all three groups, formed the first trade union. Before long purely native unions were formed, at first in Government service and from 1915 in private employment. By 1918 there were over twenty unions with upwards of 70,000 members, and by 1931 106 unions with 111,344 members, including 46 nation unions with over 85,000 members. In Africa 'natives are to a great extent debarred from forming unions to protect their interests, and legislation makes it an offence for contract natives to strike or withhold their services without giving notice of the termination of their contracts'.[1] Experience has shown that some collective means for the ventilation of grievances is desirable, as otherwise they may remain unknown to the authorities until disorders break out, but it has been questioned whether trade unions can serve any useful purpose in territories where the State has assumed a full responsibility for working conditions. The answer to this question depends on the extent to which the State discharges the responsibilities that it has assumed, and, in view of the lack of special machinery to enforce protective regulations, and the general ignorance of administrative officers regarding labour questions and conditions, there would seem to be a wide field in which the organization of labour could be useful.

In the West labour disputes turn chiefly on the point of wages. It may be assumed that better wages will enhance both efficiency and welfare, and that a standard minimum wage will ensure a reasonable level of subsistence. In the tropics the rewards of labour are governed by different considerations. Low wages seem to reduce the cost of production and, until recently, have been regarded as contributing to economic progress. In Burma the Government subsidized the importation of Indian coolies with a view to bringing down the rate of wages.[2] In Java, up to the end of the nineteenth century, low wages were considered one of the chief assets of the country, and a source of its prosperity. In Africa it is only of recent years that employers have tended to question 'the traditional view of the African labourer as crude man-power, which could be suitably remunerated by a low and undifferentiated scale of pay', and the conditions of development and the free use of pressure to provide labour have resulted in artificially low rates, approximating to the amount required for the support of an unmarried man.[3] Low wages attract capital and encourage

[1] *African Survey*, p. 698.
[2] *RAB*, 1882–3, p. 141.
[3] *African Survey*, pp. 696, 710; Frankel, pp. 11, 12.

legislation, workmen's compensation and the regulation of industrial relations. In Indochina, the Popular Front Government had begun to apply by stages metropolitan French labor legislation to various groups of the workers. In the Indies, between 1940 and 1942 detailed workmen's compensation laws were adopted, the system of employment under penal sanctions was brought to an end, compulsory road labor in the Outer Provinces was abolished, and in Java the whole wage structure was being changed to provide for a general minimum wage for the lowest ranks of workers.

Nevertheless, as Miss Thompson states in her first essay, there remained two major labor problems. The labor supply was unsatisfactory and there was no effective labor movement.

Labor migration enabled the employers to meet their immediate needs and in many cases, as between India and Malaya, was well-organized. In the circumstances of much of Southeast Asia, however, it has helped to absorb some of the surplus population rather than to improve living conditions. In times of economic prosperity there was more money in the villages; with the great depression the villages, more dependent on money, were poorer than ever, and those workers who kept their employment saw their wages drop almost or entirely to vanishing point. The skill of the rubber-tapper, the cigarette roller, the batik worker and of other workers in manual operations demanding delicacy of touch was considerable; the industriousness of the Chinese was even excessive; above all, peasant rice production in the wet lands was marked by the fullest use of available resources. But for modern production in industry, labor efficiency was low and in particular the availability of the skilled mechanical worker was in many areas rare and uncertain.

Miss Thompson shows the prewar weakness of the labor movements. In Java, the maximum number of organized workers appears to have been reached in 1941 when the membership of trade unions was estimated at 123,500. In the Philippine Islands, at the end of 1940 the total membership of the registered labor organizations was 96,877, and 190,000 workers were estimated to be organized in unregistered unions. There was little unity or continuity among the unions which existed. The Western governments feared the political interests of the labor movements. The seasonal character of much of the employment, labor migration and, in some cases, the racial diversity of the labor force, were other factors making trade union organization difficult.

All these problems still exist. An improved standard of living is one of the essentials for stability in Southeast Asia. Such improvement cannot be effected without economic developments, and although these developments will be hindered by labor which is cheap and inefficient, in the absence of much of the equipment of modern industry it will be long before standards of employment in Southeast Asia are comparable with

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

CHAPTER I · INTRODUCTION

I

LABOR SUPPLY IN SOUTHEAST ASIA

464 467 TWO MAJOR LABOR PROBLEMS, which have confronted Southeast Asia in the past and which remain unsolved, are the inadequacy and irregularity of labor supply and the dearth of organized labor movements having objectives like those of Occidental labor unions.

464 Except in such overpopulated areas as Java, the Tonkin delta, and Northern Annam, labor is generally inadequate in quantity and in quality to meet the requirements of large-scale enterprise. Where numerically adequate, the labor supply is either poorly distributed in relation to areas of employment or fails to respond to opportunities offered. The industrial development of the entire area suffers from lack of full-time services of skilled laborers. Some of the factory employees form the only stable, trained groups of workers. They comprise a small proportion of the population.

[874 461] Few facilities have existed for the training of skilled workers, and the association in Oriental minds of manual labor with the humblest social classes has limited wage-labor largely to those driven by economic necessity. Handicrafts are carried on principally by agriculturists in their [476] leisure time and by other "non-professionals." Farmers form the bulk of the workers. Only during the slack agricultural season or after a disastrous harvest are they willing to perform labor for others.

464 Supplementation of the inadequate labor force has been effected in various ways—some spontaneous, others planned. The starvation conditions chronic in south China and in India have caused emigration of 167 workers to the underpopulated but richer regions of Southeast Asia, whence they usually repatriate their savings and eventually their persons to the home country. With the exception of Burma, which by reason of its geographic and administrative relations with India formed a special category, the prosperity which prevailed at times in Southeast Asia was less a factor in stimulating this flow than were conditions in the homeland.

Accelerated by the boom in plantation industries during the early

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl
Chinese
Indians

the indigenous peoples were not sufficiently willing, numerous, or skilled to replace the immigrant laborers. A higher wage scale, they feared, might compel many firms either to go out of business or to install expensive machinery. Already local nationalists, succumbing to the philosophy of economic self-sufficiency, were demanding intensive programs of government-aided industrialization. If such demands were acceded to, the industrialists and labor leaders in the home country could be expected to protest strongly against the new competition.

In this complex situation, the colonial governments of Southeast Asia gradually yielded to the popular demands, although loath to abandon their traditional function as instruments of capitalist planning in the home countries. With the exception, however, of the embryonic and ineffective industrial programs of the Siamese and Burmese governments and the more constructive policy of the Netherlands Indies for a planned industrialization, none of the countries did much in this direction. None was forced as yet to consider very seriously that change in colonial relationship which would result from general economic development in the world and specifically from the new role that China and India would inevitably play before long in Southeast Asia. The Japanese invasion interrupted the efforts of local governments toward a solution of these labor problems. It also injected new elements into the situation.

2

LABOR ORGANIZATION IN SOUTHEAST ASIA

FOR VARIOUS REASONS an organized labor movement has never developed in Southeast Asia to notable dimensions. In large part this was because of the predominance of alien, transient, and illiterate labor forces, divided—even when of the same nationality—by geographical and linguistic differences. The Indians were further subdivided by caste and religious sect. The Chinese had a far better family, guild, and secret-society organization; but the antagonisms imported as an integral part of these organizations provoked periodic violence. Later the political and gangster elements which operated within their framework impelled all the governments throughout Southeast Asia to control them severely.

National solidarity among the immigrant labor groups was further broken up by the methods of recruitment and management. Agents and foremen exploited their compatriots for their own personal gain, until the governments concerned were gradually and reluctantly forced to intervene. Asiatic agents behaved much as recruiting agents of emi-

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

health and welfare induced the governments throughout the region to legislate that laborers be recruited with full knowledge of, and with a physique adequate to, the conditions of their future work; that they receive medical care and compensation for illness and injury; that certain minimum wage standards and a maximum number of working hours be maintained, either by district or by industry; that women and children be not employed in tasks beyond their strength. Everywhere labor inspectorates were created to see that the labor laws were enforced, but because of budgetary limitations they were hardly ever equal to their task. Though these were undoubtedly steps in the right direction they were far from adequate. Much of the legislation in the colonies was taken over from that of the home country or other colonies and only partially adapted to local conditions. Often it was wholly inappropriate to the area where it was applied. Even where it was at first applicable, it did not necessarily remain so, because industries and occupations changed; and invariably it covered only a fraction of the total labor force in the country. Further, inspectors usually lacked the time and the authority to see that even the few laws on the statute books were enforced. More complete, more specifically focussed, and more generally applicable labor laws were needed.

Having enacted measures designed to keep order and protect the laborer's physical well-being and the proceeds of his toil, the governments of the region felt that they had few additional obligations toward their wage-earning population. Conditions in Southeast Asia were sufficiently better than those prevailing in southern India and in China to attract all the labor that was needed; and this lulled the governments into believing that even if the territories under their sway had not achieved a labor millennium, there was no urgent need to do more. However, on the eve of the Pacific War, certain of the governments became more active in projecting further labor codes and reforms, long held under consideration.

Although embryonic associations of workers existed in each country of Southeast Asia, they did not grow and coalesce to become important economic entities. No genuine trade-union movement had developed before the war broke out in the Pacific. Such associations as formed invariably occurred first among transport workers, since railroads, tramways and harbor operations were the first industries created in the area and since they could most easily be held up by strikes and found it most difficult to replace their workers even when there was a large surplus supply of general laborers. Moreover, the workers in them were fairly well concentrated geographically. The delayed growth of unionism in others of the larger enterprises is explained by the extremely small minority of industrial workers amid the large and unassimilable blocs of foreign laborers, and by the indifference of the governments to the formation

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

of unions in industries the operation of which did not directly affect the public order.

The employers' resistance to unionization derived naturally from their desire to have available an abundant supply of cheap labor. They had on their side, as an argument that must weigh heavily with the governments, the involvement which such organizations as existed were believed to have with subversive political parties and leaders. Communism was reported to be rife among the Chinese labor groups. Indian Congress emissaries were supposed to be stirring up the traditionally docile Indian coolies. The growing wave of strikes and riots which occurred during the second part of the inter-war period, particularly in the middle and late 1930's, had the effect of modifying the opposition of the employer groups. Violence or work stoppages often took place without any formulation of demands or without the workers' support of the spokesman theoretically representing their views. At least some employers therefore began to see the advantage of dealing with responsible labor leaders and of forcing any subversive elements in the workers' associations out into the open.

Thus in Malaya, in 1939, legislation was introduced (but not enforced until 1941) authorizing and facilitating the functioning of unions. Employers in Indochina, who also had long opposed unionization, moved similarly in the latter part of the decade toward a recognition of the need for it. In the Netherlands Indies, membership in unions, after a setback in the early 1930's, slowly increased, although by far the largest unions were still composed of government officials and professional men. In Burma, as in Siam, unionization was impeded by the presence of a predominantly alien body of workers to whose welfare the nationals of both countries were either hostile or indifferent. Such organizations as existed survived only insofar as the governments in each country favored them as useful aids in preventing curtailment of production. Their development, however, was controlled lest they harbor elements striving to overthrow the established order.

The loss of their colonies by the Western powers and anti-colonial Japanese propaganda naturally induced a greater consciousness on their part of the existence of labor problems that must be coped with if the larger economic and social programs are to succeed. From the resolutions passed at the International Labour Organization's conference at Philadelphia in 1944,[1] it appears to have been generally recognized that the colonial governments could no longer rely on paternalistic measures or the voluntary cooperation of individual employers.

[1] Bruno Lasker, "A Labor Code for Dependent Peoples," *Far Eastern Survey*, XIII, 12, June 14, 1944, pp. 103-10.

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

many of these organizations overlap but they were assigned multiple and often identical tasks and all were subjected to Japanese "spiritual" indoctrination. Most of their members had to undergo military training and perform labor services, ranging from accompanying the Japanese army to look after supplies to washing clothes for Nipponese officers. Most of the forced labor, however, was required for the construction of defense works and communications. Some of those performing such services—lured into "volunteering" by the promise of uniforms, additional food, and the same treatment as was accorded to Japanese soldiers—were organized into picturesquely named *Heihos* and Sweat Army battalions. While these militarized groups probably suffered more than any others, the bulk of Southeast Asia's population, wherever they were, performed hard labor for the Japanese during a large part of the occupation period.

Had Japan's gamble in far-flung imperialism not been undertaken at so rapid a tempo, and against such overwhelming forces, the occupying authorities might have evolved some means of winning over the peoples of Southeast Asia before resorting to the harsh and unlimited exploitation they did. For where the Japanese seemed sincere in their encouragement of nationalist aspirations, as for a time they appeared to be in Burma, the people were far more cooperative than they were in such areas as Malaya, which from the outset were scheduled to become colonies of Japan.

The chief victims of the Japanese were undoubtedly those who were transplanted to work in foreign lands, most of whom will never return to relate their sufferings or to keep alive hatred of the Japanese. However, the people as a whole suffered in common from the same hardships and the same demands on their services and it cannot be concluded that laborers as a class developed any special consciousness as a result of their war experience. Their hours of work were probably longer, their pay less adequate to their needs and their masters more demanding than the Occidentals whom the invasion had displaced, but their grievances and aspirations had probably come to be identified with those of their compatriots and their status as laborers was neither more nor less advanced than before the war.

4

POSTWAR LABOR DEVELOPMENTS

SINCE THE JAPANESE SURRENDER, labor movements throughout Southeast Asia have made significant advances in organization, solidarity, and political self-consciousness. Their progress varies from country to coun-

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

467 try, depending on the stage of development reached before the war, the quality of leadership during and after the Japanese occupation, and the degree of authority and stability achieved by the present governments.

While politics are the overwhelming preoccupation everywhere, Indochina and Indonesia have been the scenes of almost continuous warfare since V-J Day and have been unable—judging from the limited information available—to produce strong, cohesive labor movements. Siam, although not badly damaged by Allied bombing, has been absorbed in achieving administrative stability amid internal political rivalries and in maintaining its sovereign status internationally. The basic reasons which prevented the prewar labor movement in Siam from evolving beyond the embryonic stage remain valid. The greatest progress has been made in Burma and Malaya, where labor movements were comparatively well delineated before the war and where subsequent conditions have combined to further their growth.

467 Nowhere in the area has a labor movement developed without political implications and inspiration. Nationalism, in the embrace of so-
668 cialism or communism, has been its guiding and dominating force.
186 Political leaders have worked upon laborers as the only have-not group in an area where the majority of the inhabitants are cultivators who possess, or aspire to possess, their own land. It is not accidental that peasant unions have been organized only in Burma, the sole country of the region where absentee and non-agriculturist landlordism has flour-
[464] ished and where there is marked ethnic homogeneity. Labor shortages exist everywhere as a result of the wartime cessation of immigration and the depletion and displacement of existing labor forces, and are aggravated by the desire of business firms to resume their export trade as quickly as possible.

These factors have placed labor in a particularly favorable position. While laborers remain on the whole almost as inarticulate and as closely identified with the mass of the population as before the war, they have acquired a new political consciousness and a sense of their own indispensability, as well as a more aggressive leadership. Everywhere their economic grievances derive from the growing disparity between increasing wages and more rapidly rising living costs and from the absence of consumer goods and adequate housing in urban areas. Their political objectives are those assigned to them by nationalist or communist leaders, who are using labor as the best spearhead available locally for the achievement of their own goals.

467 At the present time Malaya and Burma have the only labor move-
464 ments in the area worthy of the name. Their prewar economies differed widely—Malaya's resembling that of Sumatra more than Burma—but their metropolitan power is parallel and both are committed to a pro-labor policy. They are the two countries of Southeast Asia which have

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

been traditionally most dependent on imported labor and their prewar labor movements were the most highly developed of any throughout the region.

Nevertheless, the labor movements in these two countries have taken different paths. Burma is made up of one predominant race, overwhelmingly agricultural and guided by strong nationalist leadership. Development of solidarity among Malaya's laboring class has been retarded by the tripartite ethnic composition of its population and by the country's traditional dependence upon two export industries. Accordingly, Malaya's labor movement has developed schismatic tendencies bordering on mutual hostility and has been influenced by alien Asiatic leadership. While in both countries the British Government has not as yet formulated any policy toward immigrant workers and has thus played into the hands of labor, already in short supply, the effects in the two countries have been quite different. Because of Malaya's lack of a self-sufficient economy, its laborers are in a more favorable position to press their demands. At the same time they suffer from serious internal weaknesses not found in Burma. The government and private firms in Malaya—if the planting-mining economy is to survive—will have to make greater concessions in order to reconstitute an adequate labor force than will the analogous authorities in Burma and Siam.

The special composition of Malaya's population and the organization of its industries are probably responsible for the development of its labor movement from many small unions, organized by subdivisions within trades, into a central association. This pyramidal set-up has been turned upside down in Burma, where labor was at first organized on a very broad basis and then divided into smaller units. In both areas the British Government has been making a marked effort to foster labor unions and at the same time to divorce them from political programs and ideologies. But since the nationalists throughout the area have chosen the labor movement as their chief medium for the achievement of the socio-political revolution they desire, it is unlikely that this attempt will prove successful. The laborers of Southeast Asia still feel themselves to be, above all, members of their own national or ethnic communities and have only secondarily developed a consciousness of a class apart. The whole area is too little industrialized to be fertile ground for a labor movement, strictly speaking. When trade unionism is discussed in referring to the labor movements now budding in Southeast Asia, it should be borne in mind that little more than its nomenclature has been borrowed from Occidental labor organization.

Throughout Southeast Asia the various governments have begged two outstanding questions affecting local labor problems—agricultural indebtedness and land tenancy, and the control of Asiatic immigration. In regard to the former, nothing has been done thus far and one can

10: Thompson S-4 (no date)1947 ALl Southeast Asia ALl

SUPPLEMENT

NOTES ON LABOR DEVELOPMENTS IN 1946–47

121 A JOURNEY UNDERTAKEN by the author between December 1946 and June 1947 to some of the principal cities of Southeast Asia had for one of its objects the collection of information on the latest developments in the region's labor conditions and labor movements. Although it proved not yet possible to secure detailed statistical data on employment, wages, and other indices for the postwar period, this investigation helped to confirm the existence of certain trends previously observed and to open up, in a few instances, new vistas of a vigorous pursuit of progress, either on the part of a government or on that of organized labor.

467 On the whole, the period was found to be one of great uneasiness. 727 There was throughout the region a sense of insecurity because of the distorted structure of its major export industries. There was a sense of insecurity also in circles which, unable to accept the radical change in political and economic power that had come over large parts of the world, feared any movement which might tend to increase the political orientation of organized labor. On the other hand, there was also the natural hesitation of those seriously devoted to the promotion of progressive and liberalizing labor legislation to promote or enact measures which, with the present disturbance of social relations, it might prove difficult to enforce. Organized labor itself reflected the cleavage, to be found at this time also in industrially more advanced parts of the world, between a leadership satisfied to do the best it could within the technical limits of traditional trade union practices and one primarily thinking in political terms and desiring the most rapid possible assimilation of the local labor forces to the revolutionary international labor movement.

121 Only a few illustrations can here be given of these various tendencies as the author observed them or heard of them from authoritative spokesmen for government, labor, and professional management. These notes are offered as carrying a little further into the uncertain future the picture presented in the major part of this book. They sketch a passing phase in one of the most dramatic developments of our time: the effort of an important section of the world's workers to raise their status from an age-old level of

oppression and neglect to one of worthwhile human existence.